SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

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FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For July 31, 1991 Commission File Number 2-68701

UQ2-2237

TECHSCIENCE INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	22-2298015
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
27 McDermott Place Bergenfield, NJ	07621
Address of principal executive offices	Zip Code

Registrant's telephone number, including area code: 201-385-8371

Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the registrant has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

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(APPLICABLE ONLY TO CORPORATE ISSUERS):

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: June 12, 1991 - 5,117,750 shares.

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TECHSCIENCE INDUSTRIES, INC.

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TECHSCIENCE INDUSTRIES, INC. AND SUBSIDIARIES
(Development Stage Companies)

CONSOLIDATED BALANCE SHEET

ASSETS

	July 31, 1991
CURRENT ASSETS:	
Cash	$ 38,000
Investment in money market fund	-
Prepaid expenses and other current assets	-
Total Current Assets	$ 38,000
PROPERTY AND EQUIPMENT:	
Automobile	$ 8,000
Office Equipment	1,500
	$ 7,500
LESS: Accumulated Depreciation	(500)
OTHER ASSETS:	
Other	$ 250
	$ 250
	$ 45,250

LIABILITIES AND STOCKHOLDERS'EQUITY

CURRENT LIABILITIES:	
Accounts Payable and Accrued Expenses	$ 272,000
STOCKHOLDERS' EQUITY	
Common Stock, $.01 par value:	
Authorized - 10,000,000 Shares	
issued and outstanding	
5,117,750 Shares	$ 45,678
Capital in Excess of Par Value	1,027,387
Deficit Accumulated During the Development Stage	(1,232,561)
Total Stockholders' Equity	$ (47,750)

TECHSCIENCE INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Inception 11/29/78 to 10/31/90	9 Months Ended 7/31/91	6 Months Ended 4/30/91	Inception 11/29/78 to 7/31/91
INTEREST INCOME	$ -	$ 0	$ - 0	$ - 686;293--
SERVICE INCOME	70,568	0	0	70,568
TOTAL	$ 756,861	$ 0	$ 0	$ 756,861
COSTS AND EXPENSES:				
Compensation to officers	$ 813,605	$ 103,375	$ 73,375	916,980
Consulting fee to officers	19,500	-	-	19,500
Other salaries	172,828	2,150	4,150	176,978
Payroll taxes	77,266	-	-	77,266
Travel and entertainment	123,813	1,625	4,625	131,438
Professional fees	131,340	4,000	2,500	135,340
Office and telephone expenses	152,646	3,216	2,716	155,862
Consulting fees	127,201	1,500	1,500	128,701
Rent	111,706	7,200	4,800	118,906
Depreciation and amortization	64,293	-		
Automobile expenses	23,836	3,477	2,977	27,313
Dues and subscriptions	21,536	75	150	21,656
Taxes and other income	14,581	-	-	14,581
Research and Development	7,000	-	-	7,000
Other	95,346	4,050	3,450	98,796
Income Taxes	14,895	-	-	14,845
Minority interest in net loss of subsidiary	(22,717)	(4,012)	-	(26,729)
	$ 1,948,675	$ 79,931	0	$ 2,467,156
LOSS FROM CONTINUING OPERATIONS	$(1,192,636)	$ (79,931)	$ (97,931)	$(1,232,561)
DISCONTINUED OPERATIONS:				
Equity in loss of General Fiber Optics, Inc.	$ (44,910)	-	-	(44,910)
Gain on liquidation of General Fiber Optics, Inc.	92,879	-	-	92,879
LOSS BEFORE EXTRAORDINARY ITEM	$(1,147,726)	$ (79,931)	$ (97,931)	$(1,280,530)
EXTRAORDINARY ITEM - TAX BENEFIT OF NET OPERATING LOSS CARRY FORWARD	8,400	-	-	8,400
NET LOSS	$(1,139,326)	$ (79,931)	$ (97,931)	$(1,288,930)

TECHSCIENCE INDUSTRIES, INC. AND SUBSIDIARIES
(Development Stage Companies)

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock Number of Shares Issued	Amount	Capital in Excess of Par Value	Deficit Accumulated During Development Stage
Balances at October 31,1986	4,567,750	$45,678	$1,027,384	$ (537,999)
YEAR ENDED OCTOBER 31,1987 Net Loss	-	-	-	(173,152)
Balances at October 31,1987	4,567,750	45,678	1,027,384	(711,151)
YEAR ENDED OCTOBER 31,1988 Net Loss	-	-	-	(82,241)
Balances at October 31,1988	4,567,750	45,678	1,027,384	(793,392)
YEAR ENDED OCTOBER 30,1989 Net Loss	-	-	-	(70,110)
Balance at October 31,1990	4,567,750	45,678	1,027,384	(863,502)
NINE MONTHS ENDED MARCH 30,1991	550,000	-	-	-
BALANCE July 31, 1991	5,117,750	$45,678	$1,027,384	$1,288,930

TRANSCIENCE INDUSTRIES, INC. AND SUBSIDIARIES
Development State Companies

CONSOLIDATED STATEMENTS OF CASH FLOWS

	From inception 11/29/78 to 4/30/91	Six Mos. Ended 4/30/91	Three Mos. Ended 1/31/91	From inception 11/29/78 to 4/30/91
SH FLOWS FROM OPERATING ACTIVITIES:				
Net Loss	$1,200,152	$ (60,826)	$ (37,105)	$ 1,200,152
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and Amortization	64,816	0	0	64,816
Minority interest in dividends of subsidiary	(2,454)	0	0	(2,454)
Loss on sale of disposal of equipment	2,308	0	0	(2,308)
Minority interest in loss of subsidiary	(22,717)	0	0	(22,717)
Equity in loss of affiliate	44,910	0	0	(44,910)
Gain on liquidation of affiliate	(72,879)	0	0	(72,879)
Changes in Operating Assets and Liabilities:				
Decrease (increase) in prepaid expenses and other current assets	(10,235)	$ (4,050)	(4,050)	(14,544)
Increase (decrease) in accounts payable and accrued expenses	13,360	(2,861)	(2,195)	7,668
Increase in other assets	7,091	0	0	(7,091)
Other	(4,334)	312	198	$4,473)
: cash used in operating activities	$(1,132,528	$ 67,425)	$ (43,152)	$(1,204,608)
SH FLOWS FROM INVESTING ACTIVITIES:				
cquisitions of property and equipment	(75,577)	$ (1,000)	$ (1,000)	$ (75,577)
dvances to General Fiber Optics	0	0	0	
roceeds from sale of subsidiary's common stock	141,600	0	0	141,600
et proceeds from liquidation of affiliate	37,879	0	0	37,879
nvestment in affiliate	13,619	0	0	44,910
Net cash provided by (used in) investing activities	$ 72,611	$ (1,000)	$ (1,000)	$ 58,992

TECHSCIENCE INDUSTRIES, INC. AND SUBSIDIARIES
Development State Companies

CONSOLIDATED STATEMENTS OF CASH FLOWS
(continued)

CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from issuance of common stock and warrants	$1,385,444	$ 50,000	$ 0	$1,435,444
Net borrowings under notes payable to affiliates	-	0	0	0
Dividends paid	(466,327)	0	0	(466,327
Contribution of liability to stockholders	5,158	0	0	5,158
Net cash provided by financing activities	$ 924,275	$ 50,000	$ 0	$ 974,275
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 1,560	$ (17,425)	$ (43,152)	$ 50,000
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	0	0	0
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,560	$ (17,425)	$ (43,152)	$ 50,000

TECHSCIENCE INDUSTRIES, INC. AND SUBSIDIARIES

(A Development Stage Company)
Notes to Consolidated Financial Statements

Note 1 - Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended October 31, 1990.

Summary of Significant Accounting Policies Principles of Consolidation

The consolidated financial statements include the accounts of Techscience Industries, Inc. and its majority-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated in consolidation.

Nature of the Business

The Company was incorporated on November 29, 1978 for the purpose of developing and selling a solid waste disposal process which converts municipal solid waste into marketable recyclables and fertilizer by a specialized material separation and composting process. Since inception, the Company has been in the development stage and has had no operating revenues. The Company is pursuing a plan of acquisitions, mergers or joint ventures which include businesses other than waste disposal.

Property and Equipment

Property and equipment are stated at cost. The Company provides for depreciation of office equipment generally on the straight-line method over the estimated useful lives of five to eight years. Depreciation of automobiles is provided using the straight line method over an estimated useful life of four years.

Investment in Affiliate

During the year ended October 31, 1987, the Company owned 58% of the common stock of General Fiber Optics, Inc. ("GFO"). As GFO disposed of substantially all of its assets subsequent to October 31, 1987, the Company has decided to account for

this investment on the cost method because it is considered a temporary investment. In prior years, using the equity method, this investment was written down to zero.

Earnings (Loss) per Share

Earnings (loss) per share are based upon the weighted average number of shares of common stock and equivalents outstanding. No effect has been given to outstanding warrants and options, as the effect would cause additional dilution.

Note 3 - Common Stock

The Company adopted a stock option plan in May 1984, covering 450,000 shares of its common stock. Options granted under the plan may either be Non-qualified or Incentive Stock Options, as defined in the Internal Revenue Code, at the discretion of the Board of Directors. The plan is administered by a committee of the Board of Directors. The committee determines (1) the number of shares subject to each option, (2) the exercise price, which will not be less than 100% of the fair market value of the common stock on the date of grant (110% in the case of employees owning 10% or more of the outstanding common stock) and (3) the duration of the option, which cannot exceed ten years for Non-qualified Options and seven years for Incentive Stock Options. After one year from grant, 20% of the options may be exercised each year on a cumulative basis. As of October 31, 1991, Non-qualified options to purchase 80,000 shares at $.75 per share until October 31, 1991 were outstanding under this plan. No options were exercised during the year ended October 31,

In July 1983, one of the Company's subsidiaries adopted a stock option plan, identical to the Company's plan, covering 450,000 shares. At october 31, 1991, Non-qualifed Options to purchase 150,000 shares of the subsidiary's common stock at $.50 per share until October 31, 1990 were outstanding. No options were exercised during the year ended October 31,

Note 4 - Income Taxes

The Company and its subsidiaries file separate federal income tax returns. At October 31, 1991, the Company and its subsidiaries had approximately $75,000 in combined net operating losses to be carried forward to offset future taxable income through 2002.

TECHSCIENCE INDUSTRIES, INC. AND SUBSIDIARIES
(A Development Stage Company)

Notes to Consolidated Financial Statements

Note 5 - Leases

The following is a schedule of future minimum rental payments for office space, required for all non-cancellable operating leases that have initial or remaining lease terms in excess of one year at October 31, 1992:

Year Ending October 31,	Minimum Rental Payments
1992	$8,100

Note 6 - Current Events

On January 8, 1988, General Fiber Optics, Inc., the Company's 58% owned subsidiary, sold all of its assets for the sum of $367,500 plus stock. After a major shareholder's contribution of stock to treasury, Techscience, Inc. now owns a 90% interest in General Fiber Optics, Inc. Management liquidated GFO in 1989.

In January and April of 1991 the Company issued 250,000 and 300,000 common shares respectively to Directors and Consultants for an aggregate of 50,000 and for services rendered.

SIGNATURE PAGE

Pursuant to the requirements of Section 12, 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TECHSCIENCE INDUSTRIES, INC.

By:
Joseph W. Hafosh
President, Director,
Chairman and Treasurer
(Principal Executive
Officer, Chief Financial
and Accounting Officer)

DATED: September 10, 1991